

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

STATE DOCUMENTS COLLECTION



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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%	\$14.02 /CWT
CLASS I BUTTERFAT PRICE PER POUND	\$1.40 /LB

EFFECTIVE MAY 1, 2002:

The minimum price to pay milk producers, under ARM 32.24.301, is \$14.02 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 14.0 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.40.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%	\$11.31 /CWT
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Average spray process dry milk solids

$$\begin{array}{rcl} \text{price per pound} & = & \$0.92125 \\ \text{Multiplied by 8.2} & \times & 8.2 \end{array}$$

\$7.55430 \$7.55430

Last quote of the month for Grade AA butter

$$\begin{array}{rcl} \text{minus a differential of } \$0.0895 & = & \$1.14550 \\ \text{Multiplied by 4.2} & \times & 4.2 \end{array}$$

\$4.81110 + \$4.81110

LESS a make allowance of 8.5% (\$12.3654 X .085)

$$\begin{array}{rcl} & - & \$12.36540 \\ & - & \$1.05106 \\ & \hline & \$11.31434 \end{array}$$

Rounded to the nearest whole cent = \$11.31 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND			\$1.27 /LB
Last quote of the month for Grade AA butter	=		
minus a differential of \$.0895	=	\$1.14550 X .111)	= \$0.12715
Rounded to the nearest half cent	=		\$0.127
Butterfat value per pound for milk at 3.5% test:		\$1.27	
Hundredweight price of milk testing 3.5%			\$11.31
LESS 3.5 pounds of butterfat at		\$1.27 per pound	-\$4.445
Value of 96.5 pounds of skim			=\$6.865
CLASS II VALUE OF ONE POUND OF SKIM		6.865 / 96.5 pounds)	\$0.07114 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%			\$9.66 /CWT
3.5 pounds of butterfat		\$1.03 per pound =	\$3.605
96.5 pounds of skim		\$0.06270 per pound =	\$6.051
			=\$9.656 /CWT

CLASS III BUTTERFAT PRICE PER POUND			\$1.03 /LB
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Last quote of the month for Grade AA butter	=		
minus a difference of \$.0895	=	\$1.14550	
LESS 10%	-	\$0.11455	
		\$1.03095	

Rounded to the nearest whole cent = \$1.03 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED			\$6.27003 /CWT
Avg. spray process dry milk solid price/lb :		\$0.92125	
Multipled by 8.2		8.2	
		=\$7.55425	
LESS 17%		\$1.28422	
		=\$6.27003	

Rounded to the nearest whole cent \$6.27 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Monte Nick
 Monte Nick, Bureau Chief
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$14.02 FOR 3.5% MILK 96.5 LBS = \$9.120		CLASS II SKIM PRICE BASED ON \$11.31 FOR 3.5% MILK 96.5 LBS = \$6.865		CLASS III SKIM PRICE BASED ON \$9.66 FOR 3.5% MILK 96.5 LBS = \$6.051	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.09354	2.50	\$0.07041	2.50	\$0.06206
2.55	\$0.09359	2.55	\$0.07045	2.55	\$0.06209
2.60	\$0.09363	2.60	\$0.07048	2.60	\$0.06212
2.65	\$0.09368	2.65	\$0.07052	2.65	\$0.06215
2.70	\$0.09373	2.70	\$0.07055	2.70	\$0.06218
2.75	\$0.09378	2.75	\$0.07059	2.75	\$0.06222
2.80	\$0.09383	2.80	\$0.07063	2.80	\$0.06225
2.85	\$0.09388	2.85	\$0.07066	2.85	\$0.06228
2.90	\$0.09392	2.90	\$0.07070	2.90	\$0.06231
2.95	\$0.09397	2.95	\$0.07074	2.95	\$0.06234
3.00	\$0.09402	3.00	\$0.07077	3.00	\$0.06238
3.05	\$0.09407	3.05	\$0.07081	3.05	\$0.06241
3.10	\$0.09412	3.10	\$0.07085	3.10	\$0.06244
3.15	\$0.09417	3.15	\$0.07088	3.15	\$0.06247
3.20	\$0.09421	3.20	\$0.07092	3.20	\$0.06251
3.25	\$0.09426	3.25	\$0.07096	3.25	\$0.06254
3.30	\$0.09431	3.30	\$0.07099	3.30	\$0.06257
3.35	\$0.09436	3.35	\$0.07103	3.35	\$0.06260
3.40	\$0.09441	3.40	\$0.07107	3.40	\$0.06264
3.45	\$0.09446	3.45	\$0.07110	3.45	\$0.06267
3.50	\$0.09451	3.50	\$0.07114	3.50	\$0.06270
3.55	\$0.09456	3.55	\$0.07118	3.55	\$0.06273
3.60	\$0.09461	3.60	\$0.07121	3.60	\$0.06277
3.65	\$0.09465	3.65	\$0.07125	3.65	\$0.06280
3.70	\$0.09470	3.70	\$0.07129	3.70	\$0.06283
3.75	\$0.09475	3.75	\$0.07132	3.75	\$0.06286
3.80	\$0.09480	3.80	\$0.07136	3.80	\$0.06290
3.85	\$0.09485	3.85	\$0.07140	3.85	\$0.06293
3.90	\$0.09490	3.90	\$0.07144	3.90	\$0.06296
3.95	\$0.09495	3.95	\$0.07147	3.95	\$0.06299
4.00	\$0.09500	4.00	\$0.07151	4.00	\$0.06303
4.05	\$0.09505	4.05	\$0.07155	4.05	\$0.06306
4.10	\$0.09510	4.10	\$0.07158	4.10	\$0.06309
4.15	\$0.09515	4.15	\$0.07162	4.15	\$0.06313
4.20	\$0.09520	4.20	\$0.07166	4.20	\$0.06316
4.25	\$0.09525	4.25	\$0.07170	4.25	\$0.06319
4.30	\$0.09530	4.30	\$0.07173	4.30	\$0.06322
4.35	\$0.09535	4.35	\$0.07177	4.35	\$0.06326
4.40	\$0.09540	4.40	\$0.07181	4.40	\$0.06329
4.45	\$0.09545	4.45	\$0.07185	4.45	\$0.06332
4.50	\$0.09550	4.50	\$0.07188	4.50	\$0.06336

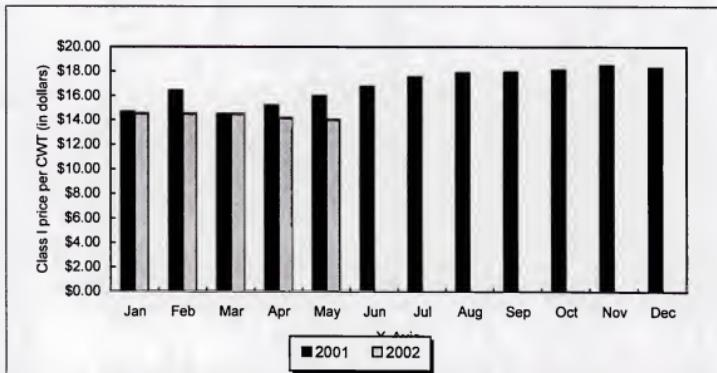
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2001 and 2002

Statistics from the Montana Milk Control Bureau

Month	2001	2002	Difference	% Change
January	\$14.68	\$14.53	(\$0.15)	-1.02%
February	\$16.43	\$14.51	(\$1.92)	-11.69%
March	\$14.49	\$14.50	\$0.01	0.07%
April	\$15.20	\$14.17	(\$1.03)	-6.78%
May	\$15.99	\$14.02	(\$1.97)	-12.32%
June	\$16.76			
July	\$17.54			
August	\$17.89			
September	\$17.95			
October	\$18.11			
November	\$18.48			
December	<u>\$18.31</u>			
Average	\$16.82	\$14.35	(\$1.01)	-6.35%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

FEBRUARY 2002: class I = \$8.79; class II = \$1.19; Class III = \$3.14; total = \$13.12

(calculations based upon utilization percentages of butterfat & skim)